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Conference
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Members, I want to bring you up to date on where we are on the state budget.

Since Saturday, we have had conversations with the Senate. These initial discussions have been

very positive and President Atwater is an excellent partner to work with. Our goal, of course, is

to agree on a starting point and a process so that the conferees can begin the important job of

resolving the differences in our budgets. We are still working on reaching an agreement on these

fundamentals.

Our ultimate goal is to address the challenges in the upcoming budget, so that the state won't be

faced with more tax increases and budget reductions in the near future.

While we are working hard to recharge Florida's economy and create jobs for Floridians, we

have no way of knowing when the economic uncertainty will cease. What we do know for

certain is that over the past two years, we have responsibly balanced the state's budget by

reducing spending by \$5.4 billion. In this year's House budget, we concluded the best course of

action was to maximize our existing resources by again responsibly reducing spending.

We are using \$5.1 billion of federal stimulus to help balance Florida's budget in the short-term.

But next fiscal year, the available federal stimulus dollars will begin to decline and the state's

budget deficit will once again expand. That is why I have repeatedly said that we should look at

the state budget from a three-year-perspective.

We have informed the Senate that we would be willing to consider supporting nearly all of the

proposals for additional revenues contained in their budget. But in return, the House is asking

the Senate to support nearly all spending reductions proposed by the House.

This will ensure a long-term, fiscally sound budget approach. That approach responsibly reduces

state ernment spending in the coming fiscal year.

Such a course would prepare the state for the expiration of federal stimulus dollars beginning

next year.

The result would be what I call, simply, good accounting practice. By blending the proposals

from both houses we would fund the state's "core mission" services and carry forward a balance

beyond the 2009-10 budget-as the country works itself out of this recession. It would not be

prudent to pass a budget this year that would likely result in a \$2 billion budget deficit as early as 2011.

I will keep you informed as we move through the process. House and Senate budget

negotiations are never easy. But I remain confident we can and will resolve our differences-in a

timely way.

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